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CENTRAL

INTELLIGENCE

BULLETIN



DIA and DOS review(s) completed.

TOP SECRET



25X1 Approved For Release 2003/02/27 : CIA-RDP79T009754004900230001-2 CENTRAL INTELLIGENCE BULLETIN 29 January 1960 DAILY BRIEF 25X1 I. THE COMMUNIST BLOC USSR-Japan: The Soviet Union has responded to the signing of the US-Japanese security treaty by a note formally withdrawing its pledge to return the Habomai and Shikotan islands off northern Hokkaido to Japan after the conclusion of a Soviet-Japanese peace treaty. Moscow now will return the islands after such a treaty only if all foreign troops are withdrawn from Japan. Although the Soviet leaders probably do not expect this maneuver to prevent ratifica-25X1 tion of the treaty by the Japanese Diet, they probably felt impelled to follow up their prolonged propaganda warnings about the dangerous consequences of the treaty with some retaliatory action. Withdrawal of the pledge to return the islands is designed to emphasize Moscow's displeasure with the Kishi government and to warn that there is no prospect for any improvement in Soviet-Japanese relations as long as 25X1 25X Kishi retains power. 25X1 [A top Japanese Foreign Ministry official has asserted that the ministry believes the Soviet note may in fact be a blunder that would strengthen Prime Minister Kishi personally and improve prospects for ratification of the treaty.7

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	either to othe	er Arab states or to Israel, an l arouse hostile criticism at tl	id the plan almost	25>
	meeting.		(Page 3)	
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		III. THE WEST		
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10	away on the r	ailroad to La Paz, and stress He also emphasized that disre	ed the possibility	
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LATE ITEM

*France-Algeria: Reinforced by assurances of support from most political parties in France, De Gaulle seems to be mounting a campaign to isolate the insurgents in Algiers and to convince the army that he has France solidly behind him. His transfer of Delegate General Delouvrier and General Challe to a new command post 30 miles from Algiers has been officially explained as a move to put them "out of reach of any pressure from the insurgents or any quarter." The move was accompanied by renewed appeals by Delouvrier and Challe for unity of all elements in Algeria behind De Gaulle.

Meanwhile, the settler insurgents have seized the radio station in Algiers -- a move which may offset in part their failure to rally significant Moslem support for their cause. Extremist spokesmen in Algiers have raised the threat of secession should De Gaulle fail to pledge himself to a "French Al-

geria.''

29 Jan 60

DAILY BRIEF

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II. ASIA-AFRICA

Vietnamese Communist Guerrilla Raid in South Vietnam

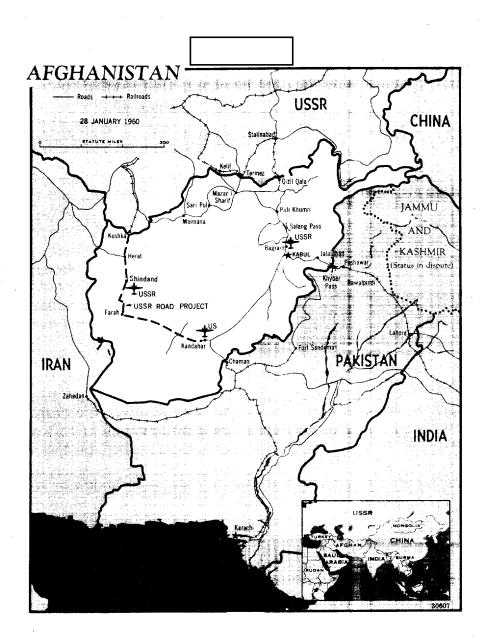
The persistent security problem faced by the Diem government in South Vietnam is underscored by a Communist guerrilla attack this week against a regimental headquarters near Tay Ninh, about 50 miles northwest of Saigon. The attackers, numbering several hundred, fled toward the nearby Cambodian frontier after killing more than 30 government soldiers and seizing considerable amounts of arms and equipment.

Poor security at the command post undoubtedly contributed largely to the success of the surprise attack, but its nature and unprecedented scope suggest growing Communist aggressiveness in South Vietnam. Communist armed strength there has long been estimated at about 2,500, but there are unconfirmed reports that an additional 1,500 men recently infiltrated from North Vietnam via Cambodia. While not posing a direct threat to the Diem regime, an increase in Communist guerrilla activity would divert the government's attention from important economic development projects now beginning to take shape.

On learning of the attack, President Diem reportedly sent an urgent appeal to the Cambodian Government for help in heading off the fleeing dissidents. The implications of this attack for both countries could have a beneficial effect on the informal discussions of joint border security measures. Deep distrust of each other's motives still poses a serious obstacle, but there is already common concern over the Communist insurrection in neighboring Laos. A temporary arrangement may be reached aimed at curbing Communist and other dissident bands which have long acted with relative impunity along the frontier.

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	USSR to Build Military Airfield for Western Afghanistan	
	The Afghan Government has approved an agreement for Soviet construction of a military airfield at Shindand, 40	
	miles from the Iranian border,	25X1
25X1	with Soviet assistance at Bagram, is to be capable of han-	
	dling most types of jet aircraft. It may be used as an alternate	
	landing field for civil aircraft using the international airport	
	being constructed at Kandahar with US assistance. Iran, which has previously voiced anxiety about Soviet military aid	
	programs in Afghanistan, is likely to show concern over this	
	new ''Soviet threat'' to its northeastern region.	
	The work is probably to be done on a grant basis under	
	the terms of the technical and economic assistance agreement	
	signed on 28 May 1959, which also provided for Soviet improve- ment of the Kushka-Herat-Shindand-Kandahar road. Moscow	
	announced on 15 December that Soviet technicians were about	
	to begin the survey for the road project. Improvement of the	
	Kushka-Shindand section of this road would facilitate construction of the airfield.	25X1
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Page 2

Jordan to Propose Plan for Palestine Settlement

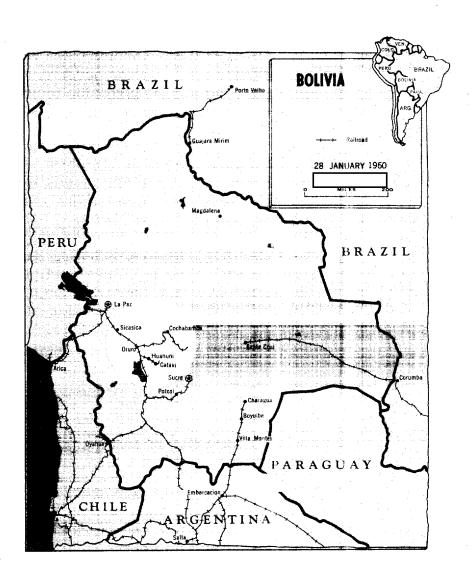
Recent proposals by Iraqi Premier Qasim and the former Grand Mufti of Jerusalem for the establishment of a separate Palestine state have aroused critical comment in Jordan and have inspired a Jordanian counterproposal. The Jordanian Government intends to submit a plan for an over-all settlement of the Palestine question to the meeting of the Arab League foreign ministers in Cairo on 8 February. Although King Husayn has said details of the plan have yet to be worked out, he indicated it would involve abandonment of the "Arab legend" that Israel should be pushed into the sea and would propose a frontier somewhere between the 1947 UN partition lines and the present armistice lines.)

The plan reportedly also advocates Arab recognition of Israel as a "religious state," establishment of Arab-Israeli trade relations, demobilization of Israel's armed forces, and suspension of Israeli immigration pending a settlement. These terms as a whole are unlikely to be acceptable either to the other Arab states or to Israel, and since the plan would reverse Arab attitudes toward Israel, it is bound to evoke hostile criticism at the Arab League meeting. Husayn nevertheless hopes the plan can be framed in a manner which will forestall charges that Jordan is a traitor to the Arab cause. Jordan's position will be kept secret until the conference.

The Jordanians probably feel compelled to take some counteraction in view of the direct threat to Jordanian sovereignty posed by proposals for a separate Palestine state and army. Jordan's West Bank (of the Jordan River), formerly part of Palestine, was annexed by King Abdullah in 1950, and roughly two thirds of Jordan's population of over 1,500,000 are Palestinians, of whom about half are refugees. Jordan's annexation of Palestinian territory has not been recognized by the Arab League and has even been criticized as a traitorous act. King Abdullah was assassinated in 1951, apparently because of his moderate attitude toward Israel and his secret contacts with the Israelis in an effort to achieve a settlement.

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III. THE WEST

The I	Bolivian	Situation
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Communist-led miners have taken control of the key mining town of Huanuni, which prior to the armed clash of 23 January served as a progovernment barrier separating 8,000 Communist-led miners in Catavi from the cities of Oruro and La Paz. President Siles has expressed to the US ambassador his grave concern over the situation, stressing the possibility of civil war. He noted that control of Oruro, a junction of railroads serving the tin mines, would permit the Communists virtual control of the nation's economy. Minerals make up 90 percent of Bolivian exports.

Siles emphasized the effect this would have on the country's already difficult financial situation, and requested US good offices with the International Monetary Fund, where a Bolivian request for aid is pending.

Siles is seeking to convince former President Paz Estenssoro, right-wing leader Walter Guevara, and left-wing leader Juan Lechin that they are playing into the Communists' hands by their bitter rivalry over the government party's impending presidential and congressional nominations. Paz and Guevara have gone to the Cochabamba valley in central Bolivia to pacify the opposing right- and left-wing units of rural militia which were recently mobilized in response to the Huanuni episode. Fighting began near Cochabamba on 25 January, and initial reports claim ten to thirteen dead.

Siles, who flew to Huanuni on 23 January to stop the fighting there, said he was surprised to encounter "500 disciplined militia, superbly led by Communists." The workers' militia was the main force in 1952 in the MNR's defeat of the ruling military junta and the armed forces. Since then, government control has often depended on a precarious balance between

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CENTRAL INTELLIGENCE BULLETIN 29 Jan 60

Page 5

Approved For Rel	ease 2003/02/27 : CIA-RDP79T0097	5A904900230001-2

the right and left wings of the party, each backed by workers' militia units which are still armed. In the present situation Siles is reported to have questioned whether the army would be able to dislodge the Catavi miners from Huanuni without exposing La Paz itself to attack.

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29 Jan 60

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CENTRAL INTELLIGENCE BULLETIN

Page 6

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LATE ITEM

The French-Algerian Situation

De Gaulle appears to be mounting a campaign to isolate the settler insurgents in Algiers and to impress the army there that France is solidly behind him. Police action on the night of 27 January against rightist extremist leaders in France was probably the first step in this campaign. De Gaulle, in his statement before the Council of State on 28 January, said he was resolved to "shoulder his responsibilities" and, "whatever happens," to maintain the "legitimate institutions and the functioning of the state."

Reports of the special cabinet meeting on 27 January suggest that De Gaulle has abandoned any intention to order the army to use force against the insurgents and may move to mix some conciliation with firmness in his major speech scheduled	25X1
for 29 January.	T 25X1
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Most political parties in France have indicated their support for De Gaulle in his contest with rightist extremists. Socialist	25X1
party leaders and non-Communist labor union leaders, however, have expressed fears that if the threat of antigovernment violence	
grows, they may be forced into joint action with the Communist	
party. The Communists, anxious to break out of their long-stand	-
ing political isolation, have already called for rigorous action by	
the government against the insurgents, and for all "Socialists,	
Communists, and Democrats" to unite in the "defense of democ-	
racv."	•

Paris' transfer of Delegate General Delouvrier and General Challe to a new command post about 30 miles from Algiers has been explained by a government spokesman as a move to put them "out of reach of any pressure from the insurgents or any quarter whatsoever." There is also speculation this move may be intended to lay the groundwork for a possible future withholding of supplies from an insurgent-dominated Algiers without penalizing the army

29 Jan 60

CENTRAL INTELLIGENCE BULLETIN

Page 7

at the same time. The command post shift was accompanied by renewed appeals by Delouvrier and Challe to the insurgents, the army, and the Moslems to unite behind De Gaulle.

The Algiers insurgents' seizure of the local radio station provides them with a means of coordinating extremist activity outside Algiers, and is a tactical success which may offset somewhat the failure of their attempts to rally significant Moslem support for a "French Algeria." Efforts throughout 28 January to stimulate demonstrations of Moslem support for the extremists were conspicuously unsuccessful, and there are indications that most Algerian Moslems support De Gaulle's self-determination program.

The number of extremists barricaded in downtown Algiers reached about 6,000 on 28 January, and the American consulate general characterized the atmosphere as one of 'fanaticism and despair.' Both extremist and French Army attitudes will prob-	25X
ably be influenced by recent manifestations of support for De Gaulle in France. Extremist spokesmen, however, have raised the threat of secession should De Gaulle fail to pledge himself to a "French Algeria."	25X ⁻
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